PROVINCE OF BRITISH COLUMBIA

Fifty-Sixth Annual Report

of the Business Done in Pursuance of the

Pension (Public Service) Act

YEAR ENDED MARCH 31

1991

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The Honourable DAVID C. LAM,
Lieutenant-Governor of the Province of British Columbia

MAY IT PLEASE YOUR HONOUR:

The undersigned respectfully submits the Report of the business done in pursuance of the *Pension (Public Service) Act* during the fiscal year ended March 31, 1991.

LOIS BOONE
Minister of Government Services

Office of the Minister of
Government Services
Victoria, British Columbia
December 9, 1991

The Honourable LOIS BOONE
Minister of Government Services
Victoria, British Columbia

MADAM:

I have the honour to lay before you the Report of the business done in pursuance of the *Pension (Public Service) Act* during the fiscal year ended March 31, 1991.

Respectfully submitted,

JOHN W. COOK
Superannuation Commissioner

December 9, 1991

PENSION (PUBLIC SERVICE) ACT

ANNUAL REPORT

Report of the business done in pursuance of the *Pension (Public Service) Act* for the fiscal year ended March 31, 1991

Sections 1, 3, 4, 6, 7, 8, 10, 13, 15, 17, 19, 41 (members' and employers' contributions) — Members' contributions amounted to $85,626,199 (1990 — $77,123,215) made up as follows:

	$
Current and arrears	84,845,969
Purchase of service	354,063
Reinstatement	426,167
	85,626,199

As at March 31, 1991 there were 44,361 (1990 — 43,355) active contributors.

Employers' contributions amounted to $122,985,459 (1990 — $109,555,847) made up as follows:

Minister of Finance and Corporate Relations	$
Current and arrears	77,855,168
Purchase of service	380,624
Reinstatement	460,252
Total Minister of Finance and Corporate Relations	78,696,044
Other employers:	
British Columbia Assessment Authority	2,239,983
British Columbia Buildings Corporation	2,474,271
British Columbia Ferry Corporation	8,483,511
British Columbia Housing Management Commission	642,255
British Columbia Institute of Technology	2,184,953
British Columbia Mental Health Society	4,125,771
British Columbia Pavilion Corporation	373,023
British Columbia Petroleum Corporation	50,472
British Columbia Place Stadium	76,867
British Columbia Systems Corporation	2,733,427
British Columbia Trade Development Corporation	237,319
British Columbia Transit (Net of M.T.O.C.)	9,989,848
Emergency Health Services Commission	2,689,255
Liquor Distribution Branch	5,342,338
Employees' union, credit unions and associations	446,533
Post Secondary Education Councils	60,953
Regional colleges	13,580
	42,164,359
Early Retirement Incentive Program	1,991,577
Purchase of service	133,479
Total other employers	44,289,415
	122,985,459

Section 11 — As at March 31, 1991 deposits with the bank at the credit of the Public Service Superannuation Fund amounted to $2,574,349 (1990 — $1,292,788). Short-term investments at market value amounted to $ nil (1990 — $14,793,750). Investments in Units of the Province of British Columbia Pooled Investment Portfolios at market value amounted to $1,193,366,121 (1990 — $1,023,704,394). These units all have maturities of less than one year. Long-term investments at market value held by the Fund amounted to $2,741,697,633 (1990 — $2,261,777,658) and are detailed on Schedule 1. Equity investments amounted at market value to $48,685,993 (1990 — $43,767,291). A comparative summary of investment transactions and earnings is attached to this report in Schedule 2.

Section 12 — Income from investments earned by the Fund during the year amounted to $426,396,819 (1990 — $352,349,418). The unrealized appreciation in the change between the current year's difference between the adjusted cost and the market value of the investments and last year's difference was $170,068,902 (1990 — ($53,029,431)).

Income is distributed to the accounts of the Fund at interest rates specified in the Acts or Regulations. For members entering service prior to April 1, 1958, a rate of 5% per annum was used. For members entering service subsequent to April 1, 1958, interest at 4% per annum was used for all accounts until September 30, 1974. At that time interest of 6% was used for contributions to the Voluntary Account.

An order in council was proclaimed in 1984 which changed interest rates paid to member and employer accounts to a fluctuating rate based on the lesser of the net earned rate of the Fund or the average interest rate paid on three major chartered banks non-chequing savings accounts. This interest rate is subject to a 6% minimum. For the period April 1, 1990 to March 31, 1991, this rate was 9.00% per annum compounded semi-annually.

For 1990/91, the interest credited to the accounts of the Fund was as follows:

	$
Members' Compulsory Contributions Basic Account	63,172,693
Members' Compulsory Contributions Inflation Adjustment Account	12,134,927
Members' Voluntary Contributions Account	433,727
Employer Contributions Basic Account	62,850,815
Employer Contributions Inflation Adjustment Account	12,076,037
Contributory Pensions Account	60,150,376
Special Agreement Account re certain former employees of B. C. Hydro and Power Authority	2,229
Special Agreement Account re certain employees of the Liquor Distribution Branch	1,398
Special Agreement Account re certain former employees of Medical Services Association	5,768
Reserve Account	189,342,327
Inflation Adjustment Pension Reserve	26,226,522

An Investment Advisory Committee, consisting of the Superannuation Commissioner and the Director, Finance, Superannuation Commission, together with representatives from the Ministry of Finance and Corporate Relations, the British Columbia Government Employees Union, and the B.C. Government Retired Employees Association meets on a quarterly basis during the year to determine an investment strategy for the succeeding quarter.

The current investment strategy is to achieve and maintain a total asset mix of 30% short-term and 70% long-term investments.

The Provincial Treasury provides financial services to the Pension Fund which includes safekeeping and registration of securities and investment management services. The Fund was charged $804,470 (1990 — $736,617) for these services.

Section 14 — All monies received and paid out under the provisions of this Act are shown in the statement of changes in fund balance and the assets and liabilities appertaining to the granting of superannuation allowances are shown in the statement of financial position. These financial statements are attached to this report.

Pursuant to the 1980 amendments to the Act, these financial statements reflect the creation of an Inflation Adjustment Account for the purpose of financing the annual inflation adjustment supplementary allowances.

Sections 15, 17, 18, 19, and 20 — During the year 654 allowances were granted as follows:

Normal retirement	464
Total and permanent disability	91
Deferred allowances	57
Dependents upon death in service	42

As at March 31, 1991 there were 2,179 (1990 — 2,124) former contributors with credits in the Fund who were eligible to apply for deferred superannuation allowances after attaining the minimum retirement age.

The present value of the 654 new allowances granted during the year under the *Pension (Public Service) Act*, in the amount of $62,358,973 was credited to the Contributory Pensions Account from the following sources:

	$
Members' Compulsory Contributions Basic accumulated with interest	17,292,239
Members' Voluntary Contributions Account with interest	38,206
Employer Contributions Account	45,028,528

Section 16 — Transfers totalling $3,818,225 were received from 1 reciprocal and 9 other pension funds in respect of 93 contributors following transfer of service as follows:

During service:		$
Government of Canada Public Service Pension Account	38	1,548,669
Province of Alberta Public Service Pension Fund	28	619,231
Province of Manitoba Public Service Pension Fund	9	549,401
Province of Newfoundland Public Service Pension Fund	1	5,710
Province of Saskatchewan Public Service Pension Fund	3	281,516
City of Winnipeg Pension Fund	1	53,821
B.C. Hydro and Power Authority Pension Fund	2	95,225
Canadian Broadcasting Corporation Pension Fund	1	61,424
Central Mortgage and Housing Corporation Pension Fund	1	55,499
Municipal Superannuation Fund	9	547,729

By special arrangement, Crown Life Insurance Company reimbursed the Fund amounts totalling $172,516 (1990 — $173,796) representing that portion of the superannuation allowances received by former employees of the Liquor Distribution Branch that had been purchased from the Company prior to August 1, 1961.

Transfers totalling $1,064,070 were made to 1 reciprocal and 4 other pension funds in respect of 32 contributors following transfer of service.

During Service:		$
Municipal Superannuation Fund	1	8,966
Province of Ontario Public Service Pension Fund	3	164,955
Government of Canada Public Service Superannuation Account	19	273,399
Province of Alberta Public Service Pension Fund	7	410,883
British Columbia Hydro & Power Authority Pension Fund	2	205,867

Sections 18 (7), 22 and 23 — Refunds totalling $15,648,945 were granted in respect of 3,367 former contributors as follows:

		$
Resignations	2,071	14,713,417
Death in service	47	828,776
Excess and voluntary contributions on grant of allowance	36	15,446
Miscellaneous	1,213	91,306

Of the refunds granted, 90 were payable to former contributors who were entitled to leave their credits in the Fund in order to receive a deferred superannuation allowance after attaining the minimum retirement age.

Section 27 — Administration and actuarial expenses amounting to $3,018,916 (1990 — $2,104,260) were paid from the Fund.

An actuarial valuation of the assets and liabilities of the Fund is required to be made by an actuary from time to time at intervals of not more than five years. The most recent valuation was carried out as at March 31, 1990.

The valuation indicated an unfunded liability in respect of basic pension benefits of approximately $437,875,000 as of March 31, 1990. This represents a decrease of $18,187,000 since March 31, 1987.

Section 42 — Inflation adjustment supplements totalling $36,592,166 (1990 — $31,149,521) were charged to the Contributory Pensions Account. The annual increases are tied to the consumer price index and are payable to the extent that the capitalized value is available in the Inflation Adjustment Account. Members and employers also each contribute 1.25% of salary to the Inflation Adjustment Account. Interest earnings attributable to funds held for the payment of contributory allowances in excess of the rate assumed by the actuary are also allocated to this Account.

Comparative, statistical and detail schedules of contributions, refunds and allowances granted and in force at the year end are attached to this report.

Sections 43, 44, 45 and 46 — Death Benefits Fund claims payments totalling $174,800 (1990 — $183,500) and sources of funds to this Fund are summarized in Schedule 9 attached to this report.

JOHN W. COOK, F.C.I.A.
Superannuation Commissioner

Legislative Assembly
Province of British Columbia

AUDITOR GENERAL

8 Bastion Square
Victoria
British Columbia
V8V 1X4
Telephone: (604) 387-6803
Fax: (604) 387-1230

AUDITOR'S REPORT

To the Superannuation Commissioner, Trustee

To the Minister of Women's Programs and Government Services and Minister Responsible for Families, Province of British Columbia, and

To the Minister of Finance and Corporate Relations, Province of British Columbia:

I have audited the statement of financial position of the Public Service Superannuation Fund at March 31, 1991 and the statement of changes in fund balance for the year then ended. These financial statements are the responsibility of the Superannuation Commission's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 1991 and the changes in the fund balance for the year then ended in accordance with the accounting principles described in note 2 to the financial statements.

GEORGE L. MORFITT, F.C.A.
Auditor General

Victoria, British Columbia
October 7, 1991

Province of British Columbia

Superannuation Commission

548 Michigan Street
Victoria
British Columbia
V8V 4R5
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Fax: (604) 387-4199

OFFICE OF THE COMMISSIONER

PUBLIC SERVICE SUPERANNUATION FUND

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The management of the Superannuation Commission is responsible for the preparation, integrity and objectivity of the Public Service Superannuation Fund's financial statements in accordance with the accounting principles described in note 2 to the financial statements, and for the financial information included in the Annual Report.

The Superannuation Commission maintains the necessary systems of internal control to provide assurance that transactions are authorized, assets are safeguarded and that proper corporate and plan member records are maintained.

The Public Service Superannuation Fund's financial statements have been examined by the Office of the Auditor General of British Columbia. Their examination was made in accordance with generally accepted auditing standards which included a review of the Superannuation Commission's internal controls to establish a basis for determining the nature, timing, and extent of audit tests to be applied. Their report outlines the nature of their examination and their opinion on the financial statements of the Public Service Superannuation Fund.

JOHN W. COOK, F.C.I.A.,
Superannuation Commissioner

VICTOR BARWIN, C.A.,
Director, Finance, Superannuation Commission

PUBLIC SERVICE SUPERANNUATION FUND

STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 1991

	1991	1990
	($ Thousands)	
ASSETS	$	$
Cash	2,574	1,293
Accounts receivable	14,281	18,550
Due from Members of the Legislative Assembly Superannuation Account (Note 9)	343	1,102
Due from brokers	8,563	24,471
Accrued interest	57,677	63,263
Investments (Notes 3 and 5)	3,983,750	3,344,044
	4,067,188	3,452,723
LIABILITIES		
Accounts payable and accrued liabilities	3,284	2,987
FUND BALANCE		
Basic Account	3,528,171	3,011,202
Inflation Adjustment Account	535,733	438,534
	4,063,904	3,449,736
	4,067,188	3,452,723

The eleven accompanying notes are an integral part of these financial statements.

APPROVED BY:

JOHN W. COOK, F.C.I.A.,
Superannuation Commissioner

VICTOR BARWIN, C.A.,
Director, Finance, Superannuation Commission

PUBLIC SERVICE SUPERANNUATION FUND

STATEMENT OF CHANGES IN FUND BALANCE FOR THE YEAR ENDED MARCH 31, 1991

	Basic Account	Inflation Adjustment Account	Totals 1991	Totals 1990
		($ Thousands)		
Fund Balance Increased by				
Members' contributions	$	$	$	$
Current	66,664	18,182	84,846	76,142
Purchase of service	331	23	354	661
Reinstatement	426	—	426	320
	67,421	18,205	85,626	77,123
Employers' contributions				
Province of British Columbia				
Current	66,196	11,659	77,855	70,280
Purchase of service	361	20	381	522
Reinstatement	460	—	460	357
Other Employers				
Current	36,410	5,754	42,164	38,183
Purchase of service	117	17	134	214
Early Retirement Incentive Program (Note 4)	1,430	561	1,991	—
	104,974	18,011	122,985	109,556
Transfers from other funds	3,396	594	3,990	1,632
Transfers from Members of the Legislative Assembly Superannuation Account (Note 9)				
Capitalized value of contributory allowances	307	—	307	1,090
Inflation adjustment contributions	—	90	90	28
	3,703	684	4,387	2,750
Investments				
Income (Note 6)	375,617	50,780	426,397	352,349
Unrealized appreciation (depreciation) during the year	153,880	16,189	170,069	(53,029)
	529,497	66,969	596,466	299,320
Total Increase	705,595	103,869	809,464	488,749
Fund Balance Decreased by				
Superannuation allowance payments				
Contributory	137,214	—	137,214	136,763
Inflation adjustment supplements	36,592	—	36,592	31,150
	173,806	—	173,806	167,913
Refunds	12,708	2,941	15,649	19,655
Transfer Option for Privatized Employees (Note 7)	802	152	954	17,906
Transfers to other funds	894	170	1,064	1,169
Administration and actuarial fees	3,019	—	3,019	2,104
Investment management fees	702	102	804	736
Total Decrease	191,931	3,365	195,296	209,483
Net Increase Before Transfers	513,664	100,504	614,168	279,266
Transfers (Note 8)	3,305	(3,305)	—	—
Net Increase in Fund Balance	516,969	97,199	614,168	279,266
Fund Balance at Beginning of Year	3,011,202	438,534	3,449,736	3,170,470
Fund Balance at End of Year	3,528,171	535,733	4,063,904	3,449,736

PUBLIC SERVICE SUPERANNUATION FUND

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 1991

1. DESCRIPTION OF THE PUBLIC SERVICE SUPERANNUATION PLAN

The following brief description of the plan is provided for general information only. For more complete information about the plan, reference should be made to the *Pension (Public Service) Act.*

(a) General

The plan is a defined benefit pension plan open to eligible employees of the public service and certain Crown corporations, agencies, institutions and other employers to which the Pension (Public Service) Act applies.

(b) Contributions

Members contribute to the Basic Account 4¼% of salary up to the Canada Pension Plan's Year's Maximum Pensionable Earnings and 5¾% on earnings above that. Employers contribute to the Basic Account 6¾% of salary up to the Year's Maximum Pensionable Earnings and 8¼% on earnings above that. Members and employers also each contribute 1¼% of salary to the Inflation Adjustment Account which was created in 1980 to provide for the payment of inflation adjustment supplements.

(c) Retirement Benefits

Members are eligible for an unreduced pension at an age within 5 years of normal retirement age with at least 10 years contributory service, or at age 55 with 35 years contributory service. A reduced pension is payable at an age 10 years under normal retirement age with at least 10 years contributory service.

The plan provides for a pension of 2% of the highest 5-year average salary for each year of pensionable service (to a maximum of 35 years). At age 65, or date of death or disability, if earlier, there is a reduction in the formula as a result of integration with the Canada Pension Plan.

The inflation adjustment supplements are provided each January 1st and are related to the annual increase in the Consumer Price Index (CPI) as at the previous September 30th. The increase is pro-rated if the capitalized value of the increases exceeds the funds available in the Inflation Adjustment Account. As there were sufficient funds available at January 1, 1990, a full CPI increase of 5.2% (1989 — 4.1%) was provided to the basic lifetime portion of the contributory superannuation allowances in force. Sufficient funds were also available to provide a full CPI increase of 4.2% effective January 1, 1991.

(d) Termination and Portability Benefits

A terminating member may choose between leaving accumulated contributions on deposit or obtaining a refund. The refund includes interest credited. Members with at least 10 years of contributory service who leave contributions in the Fund are entitled to deferred pension benefits. Those members not withdrawing contributions may carry certain pension rights to other pension plans that have portability arrangements with the Public Service Superannuation Plan. New members may also, under portability arrangements, transfer contributions and service from other plans to provide for, or to increase, pension benefits under the Public Service Superannuation Plan.

(e) Other Benefits

Disability and survivor benefits are available under the plan.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) General Information

These financial statements have been prepared on the accrual basis of accounting. They show only the financial position of the Fund as at March 31, 1991 and the changes in Fund balance for the year then ended and do not purport to show the adequacy of the Fund to meet the obligations of the superannuation plan. The results of the latest actuarial valuation of the plan are described in Note 10 below.

(b) Investments

Investments are shown at their quoted market value as at the year end.

(c) Recognition of investment transaction

(i) Investment purchases and sales are accounted for on the trade-date basis.

(ii) Discounts and premiums are amortized on a constant yield basis over the terms of the investments.

(iii) Realized gains and losses are calculated using adjusted cost and are recognized in the year of disposal. Adjusted cost is the average cost of acquisition adjusted by the amortization of discounts and premiums for long-term investments and by income attributed for units.

(iv) The unrealized appreciation or depreciation is the change between the current year's difference between the adjusted cost and market value of investments and last year's difference.

3. CHANGES IN ACCOUNTING POLICIES

Effective this fiscal year, investments are shown at their quoted market value and gains and losses are recognized as disclosed in note 2. In previous years, units in the Province of British Columbia Pooled Investment Portfolios were recorded at cost adjusted by income attributed to the units. Long-term investments were recorded at cost adjusted by the amortization of discounts and premiums on a constant yield basis over the remaining terms of the investments. Realized gains and losses on disposal of long-term investments were deferred and amortized on a straight line basis over the lesser of the remaining terms of the investments or twenty years.

These new accounting policies have been applied retroactively in these financial statements and the prior years' results have been restated. The effect of these changes has been as follows:

(a) Income from Investments: Increase (decrease)

	$ Thousands
1989 and prior years	$ (52,853)
1990	(53,154)
1991	190,076

(b) Fund balance at beginning of the year:

	1991	1990
	($ Thousands)	
Fund balance at beginning of year, as previously reported	$3,555,743	$3,223,323
Adjustments for the effect of the changes in accounting policies		
— change to market valuation of investments	(97,344)	(44,315)
— change in timing of recognition of realized gains and losses	(8,663)	(8,538)
	(106,007)	(52,853)
Fund balance at beginning of year, as restated	$3,449,736	$3,170,470

4. EARLY RETIREMENT INCENTIVE PROGRAM

The Province of British Columbia offered an early retirement incentive program for Provincial Court Judges who retired from June 12, 1990 to October 31, 1990. Twenty-two Provincial Court Judges took advantage of this program. The Province contributed $1,991,577 to fund the use of the highest year's earnings instead of the average of the highest five years of actual pensionable earnings. This amount has been included in contributions receivable as at March 31, 1991.

5. INVESTMENTS

	1991		1990	
	Market Value	Adjusted Cost	Market Value	Adjusted Cost
	($ Thousands)			
Short-Term Investments	$ —	$ —	$ 14,794	$ 14,886
Units in Province of British Columbia Pooled Investment Portfolios	1,193,366	1,186,833	1,023,705	1,026,905
Long-term bonds	2,741,698	2,699,580	2,261,778	2,374,984
Equities	48,686	24,611	43,767	24,611
	$ 3,983,750	$ 3,911,024	$ 3,344,044	$ 3,441,386

6. INCOME FROM INVESTMENTS

	1991			1990
	Basic Account	Inflation Adjustment Account	Total	Total
	($ Thousands)			
Income from Units in Province of British Columbia Pooled Investment Portfolios	$ 120,525	$ 19,648	$ 140,173	$ 125,406
Interest Income	233,295	30,703	263,998	229,176
Net realized gains (losses) during the year	21,797	429	22,226	(2,233)
	$ 375,617	$ 50,780	$ 426,397	$ 352,349

7. PENSION OPTIONS FOR PRIVATIZED EMPLOYEES

Special pension options were available to members who ceased to be employed by the Province of British Columbia because their employment was transferred out of the public service as a result of privatization. Those members were able to receive a refund of their contributions (refund option), leave their contributions in the pension plan and then be eligible for a deferred pension (deposit option), or transfer the value of their pension to a personal registered retirement savings plan or other pension plan (transfer option). The value of the transfer options granted was $953,723 (1990 — $17,906,301).

8. TRANSFERS

	1991		1990	
	Basic Account	Inflation Adjustment Account	Basic Account	Inflation Adjustment Account
	($ Thousands)			
Capitalized Value of inflation adjustment supplements granted	$ 59,163	$ (59,163)	$ 65,850	$ (65,850)
Capitalized Value of indexing of highest average salary on deferred pensions	842	(842)	1,320	(1,320)
Excess Interest	(56,575)	56,575	(68,109)	68,109
Other	(125)	125	—	—
	$ 3,305	$ (3,305)	$ (939)	$ 939

The excess interest is the income that is earned on assets held in the Basic Account in respect of pensions being paid, and which is in excess of income calculated using the interest rate assumed by the Actuary.

9. TRANSFERS FROM MEMBERS OF THE LEGISLATIVE ASSEMBLY SUPERANNUATION ACCOUNT

Former Members of the Legislative Assembly who have been granted superannuation allowances are paid contributory allowances and inflation adjustment supplements from the Public Service Superannuation Fund (the Fund).

A contributory allowance is financed at the time the allowance is first granted by the transfer to the Fund from the Members of the Legislative Assembly Superannuation Account (the Account) of the capitalized value of the contributory allowance.

Former Members receiving an allowance who are re-elected to the Legislature cease to receive an allowance and resume contributing to the Account. In addition, an amount equal to the capitalized value of their superannuation allowance is transferred from the Public Service Superannuation Fund to the Account.

During the year ended March 31, 1991, 1 Member (1990 — 3) was granted a superannuation allowance. The capitalized value of this allowance was $306,767 (1990 — $1,089,738) which, along with the balance of current year inflation adjustment contributions of $36,734 (1990 — $12,186), is due from the Account.

10. ACTUARIAL VALUATION

According to the *Pension (Public Service) Act,* an actuarial valuation of the assets and liabilities of the Fund is required to be made by an Actuary at least once in each consecutive period of not more than 5 years. The most recent valuation was carried out as at March 31, 1990. The valuation indicated a decrease in the unfunded liability in respect of basic pension benefits from $456,062,000 as of March 31, 1987 to $437,875,000 as of March 31, 1990. This decrease is the net result of a number of items, the most significant being greater than forecast income from investments, offset by experience gains and losses on other actuarial assumptions.

The contributions required under the pension plan were determined under a "level contribution" funding method. This method expresses employer contributions as a constant percentage of future payrolls that, together with future employee contributions and investment earnings, will finance the benefits for a typical new entrant to the plan and, in addition, will maintain the unfunded liability as a constant percentage of future payrolls.

11. COMPARATIVE FIGURES

Certain 1990 figures have been reclassified in order to conform with the financial statement presentation adopted in 1991.

PUBLIC SERVICE SUPERANNUATION FUND

SCHEDULE 1—*Page 1 of 2*

LONG-TERM INVESTMENTS HELD AS AT MARCH 31, 1991

	Par Value	Adjusted Cost	Market Value
	$	$	$
BONDS			
Government of Canada	1,545,051,625	1,535,675,145	1,565,324,444
Government of Canada guaranty			
Federal Business Development Bank	50,835,000	51,139,966	52,166,969
Petro Canada	10,000,000	9,805,039	9,882,169
Province of Alberta	6,200,000	6,196,777	6,192,250
Province of British Columbia	101,780,000	102,851,245	103,988,525
Province of Manitoba	6,750,000	6,715,611	7,062,161
Province of Nova Scotia	1,250,000	1,343,295	1,515,625
Province of Ontario	117,800,000	118,166,628	122,238,250
Province of Prince Edward Island	1,000,000	999,172	1,007,697
Province of Quebec	68,237,500	49,802,874	50,520,758
Province of Saskatchewan	137,926,000	137,368,254	140,246,695
Province of Alberta guaranty			
Alberta Municipal Finance Corporation	2,000,000	2,190,354	2,225,000
Alberta Telephone	5,866,000	5,575,474	5,710,240
Province of British Columbia guaranty			
British Columbia Hydro and Power Authority	229,507,000	228,656,325	223,352,413
British Columbia Railway Company	86,848,000	86,779,158	90,272,006
British Columbia Power Commission	38,000	36,490	35,673
British Columbia School Districts Capital Financing Authority	8,000,000	7,990,504	8,289,400
British Columbia improvement districts	6,053,400	6,046,985	5,680,339
British Columbia municipalities	1,558,000	1,553,767	1,418,326
Province of Manitoba guaranty			
Manitoba Telephone Systems	70,000	69,375	66,850
Province of New Brunswick guaranty			
New Brunswick Electric	3,000,000	2,976,741	3,101,762
Province of Newfoundland guaranty			
Newfoundland and Labrador Hydro-electric Corporation	700,000	697,256	672,000
Newfoundland Municipalities Capital Financing Authority	1,000,000	997,372	987,500
Province of Nova Scotia guaranty			
Nova Scotia Power Corporation	8,347,000	8,351,932	8,693,455

PUBLIC SERVICE SUPERANNUATION FUND

SCHEDULE 1—*Page 2 of 2*

LONG-TERM INVESTMENTS HELD AS AT MARCH 31, 1991

	Par Value	Adjusted Cost	Market Value
	$	$	$
Province of Ontario guaranty			
Ontario Hydro-electric Power Commission	288,929,000	284,195,270	286,496,598
Province of Quebec guaranty			
Quebec Hydro-electric Commission	45,150,000	43,269,936	44,406,564
Corporate Bonds			
B.C. Telephone Company	50,000	41,483	48,625
Consumers' Gas	50,000	42,604	47,310
Hudson's Bay Company Acceptance	50,000	44,622	48,029
Total Value of Bonds and Notes	2,734,046,525	2,699,579,654	2,741,697,633
EQUITIES			
Bank of British Columbia (122,106)	—	949,494	247,875
British Columbia Telephone Company (2,431,688)	—	23,587,478	48,329,799
Canadian Pacific Limited (3,600)	—	47,531	74,700
Imperial Oil Limited (300)	—	14,212	16,238
International Nickel Company of Canada Ltd. (450)	—	12,655	17,381
Total Value of Equities	—	24,611,370	48,685,993
1991 Totals	2,734,046,525	2,724,191,024	2,790,383,626
1990 Comparisons	2,434,602,262	2,414,634,112	2,324,281,595

PUBLIC SERVICE SUPERANNUATION FUND

SCHEDULE 2

INVESTMENT INTEREST AND TRANSACTIONS

Comparative Statistics, April 1, 1981 to March 31, 1991

Year Ended March 31	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
Net earned rate of the Fund	% 12.42	% 12.37	% 10.75	% 11.14	% 10.73	% 10.15	% 9.87	% 10.32	% 10.91	% 11.92
	$ (000)	$ (000)	$ (000)	$ (000)	$ (000)	$ (000)	$ (000)	$ (000)	$ (000)	$ (000)
Income from investments	158,574	160,104	171,476	205,668	226,015	240,416	261,335	303,441	352,349	426,397
Unrealized (depreciation) appreciation during the year									(53,029)	170,069
									299,320	596,466
Net increase (decrease) in long-term investments										
Bonds — par value	(2,566)	106,694	116,672	84,611	485,174	201,914	160,083	151,846	377,672	298,881
Equities — book[1]	—	728	675	1,348	1,752	2,039	898	852	1,281	—
Fund balance	1,263,982	1,537,845	1,795,158	2,063,573	2,334,072	2,622,704	2,958,615	3,223,323	3,449,736	4,063,904

[1] In 1982/83 the government changed the basis of valuation of equities. Formerly carried at cost, equities were carried at cost adjusted by 7% of the difference between the cost or adjusted cost and market value. Effective March 31, 1991, equities were again carried at cost but reported in the financial statements at market value as disclosed in footnote 2.

[2] Effective March 31, 1991, the Public Service Superannuation Fund adopted the policy of recording investments at market value and recognizing the change between the current year's difference between the adjusted cost and market value of investments and last year's difference. The policy of deferring and amortizing realized losses adopted in 1982 was also discontinued in 1991. Only 1990 comparative figures have been restated to account for this change.

PUBLIC SERVICE SUPERANNUATION FUND

SCHEDULE 3

Main Comparative Statistics, April 1, 1981 to March 31, 1991

Fiscal Year	Contributions				Member Refunds		Superannuation Allowances				
		Member								Amount Paid	
	Number of Contributors	Regular (3)	Voluntary Reinstatement and Purchase of Service	Employer (3)	Number	Amount	Number Granted	Deaths and Expirations	Number in Force at End of Year	Contributory (4)	Inflation Adjustment Supplement (4)
		$	$	$		$				$	$
1981/82	49,057 3,944[1]	64,956,872	1,799,625	91,003,851	5,148	16,102,436	828 —	134 —	7,908 47[2]	48,484,023	1,254,158
1982/83	50,396 3,871[1]	71,961,004	1,003,865	106,667,203	2,845	9,646,423	825 1[2]	146 —	8,587 48[2]	54,636,332	6,279,568
1983/84	49,055 3,939[1]	70,323,298	1,666,010	100,493,730	3,448	14,616,005	952 9[2]	160 —	9,379 57[2]	62,038,243	10,789,647
1984/85	45,135 4,079[1]	66,712,654	945,024	95,774,735	4,888	24,310,679	1,509[5] 1[2]	146 1[2]	10,742 57[2]	74,001,929	13,571,346
1985/86	44,665 4,444[1]	66,414,967	724,549	95,445,475	2,912	15,217,071	1,046 —	202 2[2]	11,586 55[2]	83,497,418	16,134,144
1986/87	45,019 5,020[1]	68,098,735	709,287	98,081,069	2,946	16,765,461	1,022 22[2]	203 3[2]	12,405 74[2]	91,110,174	19,212,431
1987/88	44,652 4,984[1]	71,128,866	1,090,521	145,005,832	3,280	19,083,368	1,284 2[2]	180 —	13,509 76[2]	99,960,875	22,686,939
1988/89	41,820 5,590[1]	68,694,360	2,475,374	101,778,795	4,208	22,790,074	2,686 2[2]	252 —	15,943 78[2]	134,086,441	26,640,639
1989/90	43,355 6,500[1]	76,014,454	1,108,761	109,555,847	3,688	19,654,786	646 3[2]	189 1[2]	16,400 80[2]	136,762,678	31,149,521
1990/91	44,361 6,738[1]	84,236,825	1,389,374	122,985,459	3,367	15,648,945	654 1[2]	306 1[2]	16,748 80[2]	137,213,949	36,592,166

[1] Non-active — out of service but account remains at credit.

[2] Allowances in respect of former Members of the Legislative Assembly.

[3] Member and employer contributions increased by 0.5% of salary effective October 1, 1980. Effective April 1, 1982, employer contributions were increased a further 2.5% of salary.

[4] Effective October 1, 1980, member and employer contributions each of 1.25% of salary are being credited to the Inflation Adjustment Account and used to finance the capitalized value of inflation adjustment supplements granted each January 1st.

[5] Included in the superannuation allowances granted for 1984/85 are 128 former contributors to the Pacific Coach Lines Ltd. Employees' Retirement Plan who are eligible to receive pension benefits paid under the *Pension (Public Service) Act*.

PUBLIC SERVICE SUPERANNUATION FUND

SCHEDULE 4

Comparative Statistics, April 1, 1981 to March 31, 1991

Subdivided According to Sex of Contributor

Fiscal Year	Number of Contributors		Number of Refunds Granted		Allowances					
					Number of Allowances Granted		Number of Deaths and Expirations		Number of Allowances in Force At End of Year	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
1981/82	28,791	20,266	2,324	2,824	626	202	49	37	5,982	1,974
Non-active	1,757	2,187								
1982/83	29,197	21,199	1,128	1,717	630	196	110	37	6,502	2,133
Non-active	1,944	1,927								
1983/84	28,584	20,471	1,354	2,094	722[1]	239	123[1]	37	7,101[1]	2,335
Non-active	1,968	1,971								
1984/85	26,383	18,752	2,132	2,756	1,151[2]	358[2]	119	27	8,133	2,666
Non-active	2,017	2,062								
1985/86	26,071	18,594	1,244	1,668	730	316	157	47	8,706	2,935
Non-active	2,157	2,287								
1986/87	26,148	18,871	1,290	1,656	756	288	153	53	9,309	3,170
Non-active	2,405	2,615								
1987/88	25,650	19,002	1,445	1,835	916	370	138	42	10,087	3,498
Non-active	2,412	2,572								
1988/89	23,173	18,647	2,327	1,881	1,877	811	202	50	11,762	4,259
Non-active	2,723	2,867								
1989/90	23,190	20,165	2,028	1,660	450	199	158	32	12,054	4,426
Non-active	3,124	3,376								
1990/91	23,474	20,887	1,682	1,685	454	201	229	78	12,279	4,549
Non-active	3,181	3,557								

Non-active — out of service but account remains at credit.

[1] 1983/84 statistics restated to account for an adjustment in MLA pensioners, restated to account for pension reinstatements.

[2] 1984/85 new allowances granted include 101 male and 17 female pensioners transferred to the pension fund in respect of the transfer from the Pacific Coach Lines Ltd. Employees' Retirement Plan.

PUBLIC SERVICE SUPERANNUATION FUND

SCHEDULE 5

Normal Allowances Granted April 1, 1990 to March 31, 1991

SUBDIVIDED BY YEARS OF SERVICE AND VALUE OF ALLOWANCE

Years of Service	Number of Allowances Granted	Average Salary During Last Five Years	Average Annual Allowance on Single Life Plan	Average Value of Allowance	Average Member Share	Average Employer Share
		$	$	$	$	$
Under 10 years	96	33,912	2,276	25,514	7,329	18,185
10–14	122	30,312	4,954	57,528	20,219	37,309
15–19	105	31,548	7,764	88,641	30,524	58,117
20–24	50	33,072	10,695	120,935	37,661	83,274
25–29	36	45,396	19,048	199,960	51,488	148,472
30–34	26	47,304	24,718	274,929	58,734	216,195
35 and over	29	46,596	27,536	303,804	57,911	245,893
AVERAGE OF NORMAL ALLOWANCES GRANTED DURING YEAR:						
	61 (Age)	34,644	9,043	100,936	28,314	75,622
TOTAL VALUE OF NORMAL ALLOWANCES GRANTED DURING YEAR:						
	464	—	333,830	44,714,629	12,543,042	32,171,587

PUBLIC SERVICE SUPERANNUATION FUND

SCHEDULE 6

Normal Allowances Granted April 1, 1990 to March 31, 1991

GRANTED TO FORMER CONTRIBUTORS WHOSE MAXIMUM RETIREMENT AGE WAS 65

Years of Service	Age at Retirement											Total	Percent
	55 & Under	56	57	58	59	60	61	62	63	64	65 & Over		
Under 10	3	2	4	2	1	14	10	11	4	9	20	80	18
10–14	10	9	7	5	10	15	13	7	11	10	33	130	28
15–19	13	7	5	5	10	17	9	7	5	5	20	103	23
20–24	8	5	1	1	2	5	2	3	4	6	12	49	11
25–29	9	1	—	—	1	8	1	2	2	—	11	35	8
30–34	6	1	1	1	2	5	1	2	1	1	2	23	5
35 and over	17	2	1	1	1	—	1	—	—	2	8	33	7
Total	66	27	19	15	27	64	37	32	27	33	106	453	—
Percent	15	6	4	3	6	14	8	7	6	8	23	—	100

GRANTED TO FORMER CONTRIBUTORS WHOSE MAXIMUM RETIREMENT AGE WAS 60

Years of Service	Age at Retirement											Total	Percent
	50 & Under	51	52	53	54	55	56	57	58	59	60 & Over		
Under 10	—	—	1	—	—	—	—	—	—	—	—	1	9
10–14	—	1	1	1	—	—	—	—	1	—	1	5	46
15–19	—	—	—	—	—	—	—	—	1	—	1	2	18
20–24	1	—	1	—	—	—	—	—	—	—	1	3	27
25–29	—	—	—	—	—	—	—	—	—	—	—	—	—
30–34	—	—	—	—	—	—	—	—	—	—	—	—	—
35 and over	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	1	1	3	1	—	—	—	—	2	—	3	11	—
Percent	9	9	27	10	—	—	—	—	18	—	27	—	100

Allowances Other Than Normal Granted April 1, 1990 to March 31, 1991

Number of Allowances Granted	Death	Disability	Deferred
190	42	91	57

PUBLIC SERVICE SUPERANNUATION FUND

SCHEDULE 7 — *Page 1 of 2*

Approved and Reciprocal Employers as at March 31, 1991

APPROVED EMPLOYERS

Section 18 (4) (a) provides for the granting of a deferred allowance to a contributor who within three years of his last contribution to the Fund enters the employment of one or more of the following employers, remains in employment long enough to qualify for a monthly pension benefit and has at least 10 years combined contributory service under this plan and the pension plan of the approved employer —

	Effective Date
Bricklayers and Masons Pension Plan	November 16, 1984
B.C. Agricultural Research and Development Corporation Ltd.	July 29, 1987
B.C. Central Credit Union	December 4, 1974
B.C. Railway Company	June 10, 1963
B.C. Rapid Transit Company Ltd. — Management Employees	July 25, 1985
B.C. Research Council	March 3, 1988
B.C. Government Employees' Union	March 1, 1990
City of Calgary	July 13, 1972
Federal Business Development Bank	July 29, 1987
Government of Canada Public Service Superannuation Plan	June 24, 1955
HTS Hi-tech Systems Ltd.	December 20, 1984
Legislative Assembly of the Province of British Columbia	June 10, 1963
OMNI — Script Services Ltd.	March 1, 1990
Pacific Coach Lines (formerly Vancouver Island Coach Lines)	April 1, 1979
Pacific Press Limited	July 14, 1960
The Plumbing and Pipefitting Workers Local 170 Pension Plan	August 30, 1988
Simon Fraser University	September 18, 1980
University of British Columbia	August 20, 1962
University of Saskatchewan Research Pension Plan	October 29, 1986
University of Toronto	November 26, 1986
University of Victoria	December 21, 1970

AGREEMENTS NEGOTIATED WITH OTHER EMPLOYERS

Section 38 (4) provides that the Commissioner may enter into an agreement to protect pension rights in respect of an employee who transfers to or from the service of the following employers —

Bank of Canada	September 24, 1990
Bel Maintenance Inc.	January 5, 1989
Bel Power Inc.	March 23, 1990
B.C. Government Employees' Union	March 1, 1990
B.C. Hydro and Power Authority	September 14, 1970
B.C. Milk Marketing Board	May 17, 1990
BCTF Staff Pension Plan	February 4, 1991
Canada Museums Construction Corporation (designated employees)	January 5, 1987
Canadian Broadcasting Corporation	July 2, 1981
Central Mortgage and Housing Corporation	March 6, 1975
City of Winnipeg	May 26, 1989
Colleges of Applied Arts and Technology	May 31, 1990
Coquitlam School District No. 43 (Non-Teaching)	April 25, 1988
Government of Canada	June 24, 1955
HTS Hi-tech Systems Ltd.	December 20, 1984
Province of Alberta	October 19, 1976
Province of Alberta — Management Positions	May 5, 1977
Province of Manitoba	February 17, 1975
Province of New Brunswick	December 11, 1974
Province of Newfoundland	September 23, 1980
Province of Nova Scotia	September 29, 1986
Province of Ontario	August 4, 1971
Province of Prince Edward Island	March 1, 1979
Province of Saskatchewan (employees prior to Oct. 1, 1977)	May 2, 1977
University of Regina Academic & Administrative Pension Plan	October 21, 1988
VSA Highways Maintenance Ltd.	January 9, 1991

PUBLIC SERVICE SUPERANNUATION FUND

SCHEDULE 7 — *Page 2 of 2*

Approved and Reciprocal Employers as at March 31, 1991

RECIPROCAL EMPLOYERS

Section 16 provides for the method of calculating the monthly pension benefit for an employee who within three years of making his last contribution to the Fund transfers to or from the service of the following British Columbia reciprocal employers and commences contributing to the pension plan —

An employer under the *Pension (College) Act*	April 1, 1973
An employer under the *Pension (Municipal) Act*	April 1, 1973
An employer under the *Pension (Teachers) Act*	April 1, 1973
Workers' Compensation Board	June 5, 1974
B.C. Rail Ltd.	October 20, 1989

PUBLIC SERVICE SUPERANNUATION FUND

SCHEDULE 8

Approved Group Disability Salary Continuance Plans as at March 31, 1991

APPROVED PLANS

Section 1 provides for the approval of group disability salary continuance plans by the Provincial Secretary. Section 15 (7) provides that any period during which a contributor receives benefits from an approved plan, is treated as a period of pensionable service for the purposes of the *Pension (Public Service) Act* in respect of the following employers —

Employer	Date Plan Approved
B.C. Assessment Authority	October 14, 1976
B.C. Enterprise Corporation	April 10, 1984
B.C. Government Employees' Union	May 27, 1981
B.C. Housing Management Commission	July 6, 1981
B.C. Institute of Technology	July 25, 1977
B.C. Pavilion Corporation	May 10, 1988
Emergency Health Services Commission	January 6, 1978
Metro Transit Operating Company	June 10, 1980
Pacific Coach Lines Ltd.	October 24, 1984
Public Service Long Term Disability Plan	April 26, 1978
Workers' Compensation Board (Boards of Review)	October 10, 1980

PENSION (PUBLIC SERVICE) ACT

SCHEDULE 9

DEATH BENEFITS FUND

SECTION 43–46

Any contributor who is eligible for an allowance under the *Pension (Public Service) Act* or the *Legislative Assembly Allowances and Pension Act* may elect, on or before the day on which their allowance is granted, to purchase insurance coverage under the Death Benefits Fund. The cost to each contributor is $1.00 per month. Benefits payable upon death are dependent on the age of the participant:

	$
Less than 66	1,000
66 but not 67	900
67 but not 68	800
68 but not 69	700
69 but not 70	600
70 or over	500

Summary of Claims Paid for the Year Ended March 31, 1991

Number of Claims	Amount of Claims	Total
	$	$
194	500	97,000
19	600	11,400
12	700	8,400
9	800	7,200
12	900	10,800
40	1,000	40,000
286		174,800

Summary of Sources of Funds for the Year Ended March 31, 1991

	$
Contributions by superannuants	140,901
Contributions by Government	33,899
	174,800

11,486 superannuants were contributing as at March 31, 1991.

Vern A. Burkhardt
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